Closure of Gold Mine in Kolar

867. SHRI T. A. MOHAMMED
SAQHY:
SHRI V. GOPALSAMY:

WiU the Minister of MINES be pleased to Kate:

(a) whether it is a fact that Bharat Gold Mines Limited has decided to close the Gold Mines in Kolar; if so, what are the reasons therefor; and

(b) what steps Government propose to take to prevent such closure and mass retrenchment.

THE MINISTER OF STATE OF THE MINISTRY OF MINES (SHRI BAL-RAM SINGH YADAV); (a) Due to increasing costs of production the gold ore. lesser content of gold in ore, and increasing costs of production, the gold mining operations have become uneconomic. Hence the old mines of Bharat Gold Mines Limited at Kolar Gold fields are be'ng phased out.

(b) It is not possible to avoid closure of mines at Kola$_r$ which have become uneconomic. However with a view to minister retrenchment and unemployment of worrkers and lesser hardship, certain d iversificstion schemes for Modernisation of Workshops and Strengthening of Project & Contract Division have been taken *up apart* from development of some shallow deposits of gold ore, provided they are economically viable.

New Integrated Steel Plant in Orissa

868. SHRT JAGADISH JANI: Will the Minister of STEEL be pleased to state:

(v) whether Government propose to set Lip an Integrated Steel Plant in Orissa;

(b) whether proposal has since been finalised;

(c) if so, the place identified for the location thereof;

(d) whether the plant i$_s$ likely to be set" up in the public sector or in the private iector; and

(e) the step* taken in this regarf?

THE MINISTER. OF STATE OF T3BIE MENIStitY OF STEEL (SHRI SONTSH MOHAN DEV): (a) to (e) A propco* for setting np a steel plant in Orissa t* Daitari in the central public sector has been under consideration of the Govonfc-meat but a final investment decision couM not be taken due to resource constraints. According to information received from the Government of Orissa, the State Government has recently entered into a8fo-morandum of Understanding with Dr. Swaraj Paul of the Caparo Group to set up an integrated steel plant in Orissa.

Visakhapatnam Steel Plant

869. SHRI MENTAY PADMANA-BHAM: Will the Minister of STEEL be pleased to state:

(a) whether Government's attention has been drawn to the new3-item which appeared in Economic Times dated 1st November, 1991 under the caption "Work on at Visakhapatnam Steel Plant to meet August 92 deadline".

(b) if so. whether the required finance for completion of this plant have been firmly tied;

(c) what is the restructuring of the capital base required for the purpose;

(d) whether the existing capital base would result in losses; and

(e) if so, the details of projections ?nd remedies being contemplated in that regard ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI SONTOSIH MOHAN DEV): (a) Yes, Sir.

(b) The funds required for completion of the projects will be arranged by Government.

(c) to (e) On account of delay in the completion and commissioning of the project there has been cost overrun. Gov-ernment is ~~e~~onside~~r~~ing various options to restructure the capital base of Raififrfya Ispat Nigam Ltd. (VSP) *no* as to ensure its